GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3116
ANSWERED ON:11.08.2000
CLOSURE OF BURN STANDARD COMPANY LTD.
JAYASHREE BANERJEE

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government are considering to close down the Burn Standard Company Limited at Jabalpur and Katani (Niwar);

(b) whether these units are running into losses;

(c) if so, the reasons therefor;

(d) whether the Government have considered any effective policy to restart these units before taking such decision;

(e) if so, the details thereof;

(f) whether the employees of these units are being paid without work; and
(g) if so, the action proposed to be taken in regard to the property, future cost, etc. of the said units?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) The BIFR sanctioned revival scheme of BSCL did not recommend revival of both the Jabalpur and Katani (Niwar) Units of the Company. As per the scheme, all the employees of these units were to be offered benefits of Voluntary Retirement Scheme instead of retrenchment compensation as a gesture of goodwill. Loans provided by Government for these units were to be repaid out of sale of assets.

(b) Yes, Madam. The accumulated losses of Jabalpur and Katani (Niwar)Units as on 31.3.1999 were Rs.4186 lakhs and Rs.2142 lakhs respectively.

(c) The refractory products which the Jabalpur and Katani Units produced were outdated & unremunerative.

(d) & (e) The operating Agency, appointed by BIFR, could not establish theviability of these units on a stand alone basis. Further, BIFR did not recommend their revival.

(f) Government provided non-plan loan for 2 years from 1.4.1998 for payment of wages & salary to the employees of these units.

(g) As per the provisions of the BIFR revival scheme action has been initiated for disposal of its assets.